

FISCAL NOTE

SB 131 – HB 83

March 9, 2007

SUMMARY OF BILL: Exempts from state and local sales tax any direct-to consumer sales of certain farm or nursery products, transacted via an online nonprofit farmers market, provided that 50% of the products are grown or produced by the nurseryman or farmer.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - \$15,000

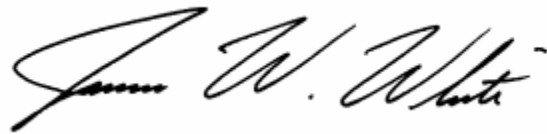
Decrease Local Govt. Revenues - \$4,800

Assumptions:

- Based on information provided by the Department of Revenue and the U.S. Department of Agriculture, taxable sales in Tennessee eligible for the exemption proposed in this bill are estimated to be approximately \$215,000 per year.
- Current state sales tax rate is 7.0%.
- The decrease to state revenues is estimated to be \$15,000 per year ($\$215,000 \times 7.0\% = \$15,050$).
- The local option sales tax rate is estimated to average 2.25%.
- The decrease to local government revenues is estimated to be \$4,800 per year ($\$215,000 \times 2.25\% = \$4,838$).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director